

CITY OF MEDICINE LODGE, KANSAS

**FINANCIAL STATEMENT
with
INDEPENDENT AUDITOR'S REPORT
YEAR ENDED DECEMBER 31, 2018**

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council
Medicine Lodge, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash of the City of Medicine Lodge, Kansas, as of and for the year ended December 31, 2018, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note A; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note A, the financial statement is prepared by the City of Medicine Lodge, Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Medicine Lodge, Kansas as of December 31, 2018, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of the City of Medicine Lodge, Kansas as of December 31, 2018, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note A.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash (basic financial statement) as a whole. The summary of regulatory basis expenditures - actual and budget and individual fund schedules of regulatory basis receipts and expenditures (Schedule 1 and 2 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note A.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City of Medicine Lodge, Kansas as of and for the year ended December 31, 2017 (not presented herein), and have issued our report thereon dated November 1, 2018, which contained an unmodified opinion on the basic financial statement. The 2017 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the website of the Kansas Department of Administration at the following link: <http://admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2017 column (2017 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures for year ended December 31, 2018 (Schedule 2 as listed in the table of contents) is presented for additional analysis and is not a required part of the basic financial statement. Such 2017 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 basic financial statement. The 2017 comparative information was subjected to the auditing procedures applied in the audit of the 2017 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2017 basic financial statement or to the 2017 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2017 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2017, on the basis of accounting described in Note A.

Kennedy McKee & Company LLP

November 14, 2019

CITY OF MEDICINE LODGE, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH REGULATORY BASIS

For the Year Ended December 31, 2018

<u>Fund</u>	<u>Beginning unencumbered cash balance</u>	<u>Prior year canceled encumbrances</u>
General fund:		
General	\$ 265,028	\$ -
Special purpose funds:		
Tourism	29,712	-
Library	73	-
Special highway	193,374	-
Special parks and recreation	10,942	-
Community improvement district	351,540	-
Municipal equipment reserve	802,525	-
Capital improvements reserve	620,219	-
Public Building Commission	2,629	-
Total special purpose funds	2,011,014	-
Bond and interest fund:		
Bond and interest	18,034	-
Capital project fund:		
Sidewalk improvement	11,151	-
Business funds:		
Water utility	998,543	-
Sewer utility	138,085	-
Solid waste utility	71	-
Waterworks depreciation and maintenance reserve	825,990	-
Sewer plant O-M-R	84,476	-
Total business funds	2,047,165	-
Total	\$ 4,352,392	\$ -

Composition of cash balance:

Demand deposits
Certificates of deposit

Total cash

The notes to the financial statement are an integral part of this statement.

Statement 1

<u>Receipts</u>	<u>Expenditures</u>	<u>Ending unencumbered cash balance</u>	<u>Add encumbrances and accounts payable</u>	<u>Ending cash balance</u>
<u>\$ 1,653,604</u>	<u>\$ 1,726,407</u>	<u>\$ 192,225</u>	<u>\$ 45,167</u>	<u>\$ 237,392</u>
18,042	28,000	19,754	-	19,754
110,880	110,593	360	-	360
52,105	-	245,479	-	245,479
2,166	-	13,108	-	13,108
238,445	277,462	312,523	-	312,523
29,000	-	831,525	-	831,525
1,019,722	857,509	782,432	33,494	815,926
108,764	108,799	2,594	-	2,594
<u>1,579,124</u>	<u>1,382,363</u>	<u>2,207,775</u>	<u>33,494</u>	<u>2,241,269</u>
<u>-</u>	<u>-</u>	<u>18,034</u>	<u>-</u>	<u>18,034</u>
<u>-</u>	<u>-</u>	<u>11,151</u>	<u>-</u>	<u>11,151</u>
1,118,362	986,005	1,130,900	12,629	1,143,529
462,764	487,700	113,149	10,961	124,110
350,438	350,447	62	27,954	28,016
92,054	96,637	821,407	-	821,407
5,000	-	89,476	-	89,476
<u>2,028,618</u>	<u>1,920,789</u>	<u>2,154,994</u>	<u>51,544</u>	<u>2,206,538</u>
<u>\$ 5,261,346</u>	<u>\$ 5,029,559</u>	<u>\$ 4,584,179</u>	<u>\$ 130,205</u>	<u>\$ 4,714,384</u>
				<u>\$ 3,469,384</u>
				<u>1,245,000</u>
				<u>\$ 4,714,384</u>

CITY OF MEDICINE LODGE, KANSAS

NOTES TO THE FINANCIAL STATEMENT

December 31, 2018

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies applied in the preparation of the accompanying financial statement is presented to assist in understanding the City's financial statement. The financial statement, schedules, and notes are representations of the City's management, which is responsible for their integrity and objectivity.

1. Municipal Financial Reporting Entity

The City of Medicine Lodge is a municipal corporation governed by an elected mayor and five-member council. This regulatory financial statement presents the City of Medicine Lodge (the municipality) and the Public Building Commission (part of the municipality). The Lincoln Library, a related municipal entity, has not been included in the City's reporting entity.

Public Building Commission. The Commission was authorized by City Ordinance No. 818, pursuant to K.S.A 12-1757 et. seq., and all amendments thereto, and as amended, supplemented and limited by the City of Medicine Lodge, Kansas Charter Ordinance No. 17 establishing the composition thereof and purposes for which established. For financial reporting, the financial activities of the Public Building Commission are accounted for within a non-budgeted special purpose fund.

Lincoln Library. The members of the governing board of the Library are approved by the City Council. The Library is fiscally dependent on the City because the City provides substantial financial support in the form of appropriations. In addition, the Library is prohibited from issuing bonded debt without the approval of the City Council.

2. Basis of Presentation – Fund Accounting

The accounts of the City are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following types of funds comprise the financial activities of the City for the year ended December 31, 2018:

REGULATORY BASIS FUND TYPES

General fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special purpose fund – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than capital project and tax levies for long-term debt) that are intended for specified purposes.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Basis of Presentation – Fund Accounting (Continued)

REGULATORY BASIS FUND TYPES (CONTINUED)

Bond and interest fund – used to account for the accumulation of resources (including tax levies and transfers from other funds) and payment of general long-term debt.

Capital project fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business fund – funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal services fund, etc.).

3. Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

4. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

- a. Preparation of the budget for the succeeding calendar year on or before August 1st.
- b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
- d. Adoption of the final budget on or before August 25th.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgetary Information (Continued)

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held, and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for the utility reserve funds, capital project funds, or the Municipal Equipment Reserve, Capital Improvements Reserve, and Public Building Commission special purpose funds.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

B. COMPLIANCE WITH KANSAS STATUTES

References made herein to the statutes are not intended as interpretations of law but are offered for consideration of the Director of Accounts and Reports, Kansas Department of Administration, and legal representatives of the City.

K.S.A. 79-2935 prohibits expenditure in excess of the total amount of the adopted budget of expenditures of individual funds. Expenditures exceeded the adopted budget of the Community Improvement District fund by \$42,462.

C. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

C. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial credit risk - deposits. Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2018.

At December 31, 2018, the City's carrying amount of deposits was \$4,714,384 and the bank balance was \$4,738,551. Of the bank balance, \$252,594 was covered by federal depository insurance, \$3,500,000 was collateralized with an irrevocable letter of credit from the Federal Home Loan Bank of Topeka, and \$985,957 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

D. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2018, were as follows:

Issue	Balance beginning of year	Additions	Reductions/ payments	Balance end of year	Interest paid
General obligation bonds:					
Refunding and improvement					
Issued April 1, 2013					
In the amount of \$1,130,000					
At interest rates of 0.80% to 2.70%					
Maturing September 1, 2024	\$ 505,000	\$ -	\$ 90,000	\$ 415,000	\$ 9,955
CID sales tax					
Issued May 23, 2017					
In the amount of \$1,930,000					
At interest rate of 3.00%					
Maturing September 1, 2030	1,930,000	-	80,000	1,850,000	73,662
Water system improvements					
Issued September 26, 2017					
In the amount of \$3,732,000					
At interest rate of 2.625%					
Maturing September 26, 2057	<u>3,732,000</u>	<u>-</u>	<u>53,850</u>	<u>3,678,150</u>	<u>97,966</u>
Subtotal general obligation bonds	<u>6,167,000</u>	<u>-</u>	<u>223,850</u>	<u>5,943,150</u>	<u>181,583</u>
Revenue bonds:					
Swimming pool improvements refunding					
Issued October 15, 2015					
In the amount of \$1,035,000					
At interest rates of 1.50% to 2.50%					
Maturing September 1, 2026	<u>925,000</u>	<u>-</u>	<u>90,000</u>	<u>835,000</u>	<u>18,763</u>
Revolving loans:					
Sewer plant					
Issued March 1, 2003					
In the amount of \$2,946,766					
At interest rate of 2.94%					
Maturing September 1, 2024	1,208,324	-	157,877	1,050,447	34,373
Water meter upgrades					
Issued December 6, 2012					
In the amount of \$480,596					
At interest rate of 2.43%					
Maturing August 1, 2022	<u>153,560</u>	<u>-</u>	<u>29,247</u>	<u>124,313</u>	<u>3,555</u>
Subtotal revolving loans	<u>1,361,884</u>	<u>-</u>	<u>187,124</u>	<u>1,174,760</u>	<u>37,928</u>
Total long-term debt	<u>\$ 8,453,884</u>	<u>\$ -</u>	<u>\$ 500,974</u>	<u>\$ 7,952,910</u>	<u>\$ 238,274</u>

D. LONG-TERM DEBT (CONTINUED)

Current maturities of general obligation bonds and interest for the next five years and in five-year increments through maturity are as follows:

	Principal due	Interest due	Total due
2019	\$ 280,264	\$ 178,818	\$ 459,082
2020	286,715	157,676	444,391
2021	298,203	150,427	448,630
2022	289,731	142,704	432,435
2023	261,299	134,946	396,245
2024-2028	1,191,494	572,138	1,763,632
2029-2033	657,348	406,779	1,064,127
2034-2038	429,544	329,533	759,077
2039-2043	488,960	270,117	759,077
2044-2048	556,595	202,482	759,077
2049-2053	633,586	125,491	759,077
2054-2057	569,411	37,852	607,263
Total	<u>\$ 5,943,150</u>	<u>\$ 2,708,963</u>	<u>\$ 8,652,113</u>

Current maturities of revenue bonds and interest for the next five years and through maturity are as follows:

	Principal due	Interest due	Total due
2019	\$ 95,000	\$ 17,413	\$ 112,413
2020	95,000	15,987	110,987
2021	100,000	14,562	114,562
2022	105,000	12,563	117,563
2023	105,000	10,463	115,463
2024-2026	335,000	16,475	351,475
Total	<u>\$ 835,000</u>	<u>\$ 87,463</u>	<u>\$ 922,463</u>

Current maturities of revolving loans and interest through maturity are as follows:

	Principal due	Interest due	Total due
2019	\$ 192,515	\$ 32,537	\$ 225,052
2020	198,061	26,991	225,052
2021	203,769	21,283	225,052
2022	209,641	15,411	225,052
2023	182,682	9,568	192,250
2024	188,092	4,158	192,250
Total	<u>\$ 1,174,760</u>	<u>\$ 109,948</u>	<u>\$ 1,284,708</u>

E. CAPITAL PROJECTS

Capital project authorizations with approved change orders compared with cash disbursements and accounts payable from inception are as follows:

	<u>Project authorization</u>	<u>Cash disbursements and accounts payable to date</u>
Water system improvements	\$ 4,571,128	\$ 4,571,128
Streetscape project	2,176,662	2,166,389
Runway rehabilitation project	490,918	490,918
Airport access road	<u>902,532</u>	<u>894,832</u>
	<u>\$ 8,141,240</u>	<u>\$ 8,123,267</u>

F. INTERFUND TRANSFERS

Operating transfers:

<u>From</u>	<u>To</u>	<u>Regulatory authority</u>	<u>Amount</u>
General	Municipal equipment	K.S.A. 12-1,117	\$ 10,000
General	Capital improvements res.	K.S.A. 12-1,118	232,250
General	Public Building Commission	Resolution	108,763
Sewer utility	Sewer plant O-M-R	K.S.A. 12-825d	5,000
Sewer utility	Municipal equipment	K.S.A. 12-825d	1,000
Solid waste utility	General	K.S.A. 12-825d	15,000
Water utility	General	K.S.A. 12-825d	126,000
Water utility	Municipal equipment	K.S.A. 12-1,117	18,000
Water utility	Waterworks depreciation and maintenance res.	K.S.A. 12-825d	90,000
Water utility	Sewer utility	K.S.A. 12-825d	<u>110,000</u>
			<u>\$ 716,013</u>

Transfer to related municipal entity:

<u>From</u>	<u>To</u>	<u>Amount</u>
Library	Lincoln Library	<u>\$ 110,593</u>

G. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other post-employment benefits. As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Death and disability other post-employment benefits. As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% and contributions were \$5,928 for the year ended December 31, 2018.

Section 457 deferred compensation plan. The City offers a Section 457 deferred compensation plan to all employees on a voluntary basis. The City does not contribute to the plan, which is administered by a third party.

Section 125 plan. The City offers Section 125 plans to all eligible employees electing to participate. It is used for accident and cancer insurance. The City withholds the amounts from the employee's paychecks and remits the withholding to the plan administrator.

Compensated absences. The City's policy allows vacation time to accumulate to 160 hours. However, the number of hours of unused vacation that can be carried over without written authorization from the City Council varies depending on the number of continuous years of employment. The maximum number of hours eligible to be carried over is as follows: 40 hours, 0-5 years; 80 hours, 6-10 years; 120 hours, 11-15 years; 140 hours, 16-20 years; and, 160 hours, over 20 years. Sick leave may be accumulated up to 720 hours but is not paid upon termination or resignation.

H. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description. The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100; Topeka, KS 66603), or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2, or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2, and KPERS 3 members. Member contributions are withheld by the City and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

H. DEFINED BENEFIT PENSION PLAN (CONTINUED)

State law provides that employer contribution rates for KPERS 1, KPERS 2, and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.39% for the fiscal year ended December 31, 2018. Contributions to the pension plan from the City were \$49,734 for the year ended December 31, 2018.

Net Pension Liability

At December 31, 2018, the City's proportionate share of the collective net pension liability reported by KPERS was \$445,274. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in the financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publically available on the website at www.kpers.org or can be obtained as described above.

I. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has been unable to obtain workers' compensation insurance at a cost it considered to be economically justifiable. For this reason, the City joined together with other cities in the State to participate in the Kansas Municipal Insurance Trust (KMIT), a public entity risk pool currently operating as a common risk management and insurance program for participating members.

The City pays an annual premium to KMIT for workers' compensation insurance coverage. The agreement to participate provides that the KMIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$500,000 for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KMIT management.

The City continues to carry commercial insurance for all other risks of loss, including property, liability, and fidelity bonds. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years and there have been no significant reductions in coverage.

J. SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 14, 2019, the date on which the financial statement was available to be used. Management's evaluation concluded that there are no subsequent events that are required to be recognized or disclosed in this financial statement.

**REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF MEDICINE LODGE, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2018

<u>Fund</u>	<u>Certified budget</u>	<u>Adjustment for qualifying budget credits</u>	<u>Total budget for comparison</u>	<u>Expenditures chargeable to current year</u>	<u>Variance favorable (unfavorable)</u>
General fund:					
General	\$ 2,031,374	\$ -	\$ 2,031,374	\$ 1,726,407	\$ 304,967
Special purpose funds:					
Tourism	36,000	-	36,000	28,000	8,000
Library	126,600	-	126,600	110,593	16,007
Special highway	76,750	-	76,750	-	76,750
Special parks and recreation	2,000	-	2,000	-	2,000
Community improvement district	235,000	-	235,000	277,462	(42,462)
Business funds:					
Water utility	1,166,126	-	1,166,126	986,005	180,121
Sewer utility	545,472	-	545,472	487,700	57,772
Solid waste utility	354,000	-	354,000	350,447	3,553
Total	\$ 4,573,322	\$ -	\$ 4,573,322	\$ 3,966,614	\$ 606,708

See Independent Auditor's Report.

CITY OF MEDICINE LODGE, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance
	2017	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 680,020	\$ 665,085	\$ 695,488	\$ (30,403)
Delinquent tax	8,263	8,700	15,000	(6,300)
Motor vehicle tax	111,183	119,553	140,722	(21,169)
Recreational vehicle tax	1,707	1,488	1,857	(369)
16/20M tax	4,714	6,255	5,588	667
Special assessments	2,558	1,870	2,000	(130)
Local alcoholic liquor tax	2,206	2,167	1,100	1,067
Sales and use tax	495,547	482,282	488,250	(5,968)
License, permits and fees	6,283	7,230	4,500	2,730
Franchise fees	139,083	166,534	149,000	17,534
Fines, forfeitures and penalties	4,950	3,758	15,500	(11,742)
Charges for services	12,355	11,341	18,250	(6,909)
Interest	40,524	52,760	10,000	42,760
Use of property	50	100	-	100
Miscellaneous	30,561	26,015	18,000	8,015
Transfers:				
Water utility	116,000	126,000	126,000	-
Sewer utility	18,000	-	-	-
Solid waste utility	19,500	15,000	16,000	(1,000)
Neighborhood revitalization rebate	(43,214)	(42,534)	(41,152)	(1,382)
Total receipts	<u>1,650,290</u>	<u>1,653,604</u>	<u>\$ 1,666,103</u>	<u>\$ (12,499)</u>
Expenditures:				
Administration:				
Personnel	80,271	86,265	\$ 83,950	\$ (2,315)
Contractual services	98,218	81,840	68,150	(13,690)
Commodities	5,783	4,332	18,850	14,518
Capital outlay	-	-	1,350	1,350
Economic development	25,000	25,000	18,400	(6,600)
Miscellaneous	2,057	8,117	1,000	(7,117)
Grant match	800	-	-	-
	<u>212,129</u>	<u>205,554</u>	<u>191,700</u>	<u>(13,854)</u>

CITY OF MEDICINE LODGE, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance
	2017	Actual	Budget	favorable (unfavorable)
Police department:				
Personnel	\$ 318,748	\$ 300,354	\$ 337,255	\$ 36,901
Contractual services	35,817	46,352	38,275	(8,077)
Commodities	14,212	22,486	19,500	(2,986)
Capital outlay	4,218	7,353	13,000	5,647
Miscellaneous	40	2,564	2,450	(114)
	<u>373,035</u>	<u>379,109</u>	<u>410,480</u>	<u>31,371</u>
Fire department:				
Personnel	319	505	800	295
Contractual services	7,267	19,163	11,000	(8,163)
Commodities	(120)	756	6,800	6,044
Capital outlay	8,608	5,726	53,095	47,369
Debt service:				
Principal	25,200	32,055	-	(32,055)
Interest	1,079	1,792	-	(1,792)
	<u>42,353</u>	<u>59,997</u>	<u>71,695</u>	<u>11,698</u>
Street department:				
Personnel	141,621	151,958	139,050	(12,908)
Contractual services	18,546	21,350	23,900	2,550
Commodities	23,633	17,886	32,650	14,764
Capital outlay	182	2,967	157,250	154,283
Miscellaneous	454	984	-	(984)
Debt service:				
Principal	67,200	-	-	-
Interest	2,876	-	-	-
	<u>254,512</u>	<u>195,145</u>	<u>352,850</u>	<u>157,705</u>
Swimming pool:				
Personnel	30,932	53,675	53,000	(675)
Contractual services	15,061	19,187	11,200	(7,987)
Commodities	4,729	3,677	14,000	10,323
Capital outlay	11,908	330	113,212	112,882
Miscellaneous	100	2,225	1,150	(1,075)
	<u>62,730</u>	<u>79,094</u>	<u>192,562</u>	<u>113,468</u>

CITY OF MEDICINE LODGE, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		
	2017	Actual	Budget	Variance favorable (unfavorable)
Airport:				
Contractual services	\$ 16,003	\$ 16,566	\$ 13,900	\$ (2,666)
Commodities	-	60	2,300	2,240
Capital outlay	120	10	500	490
	16,123	16,636	16,700	64
Municipal court:				
Personnel	-	-	5,408	5,408
Contractual services	13,572	10,727	13,500	2,773
Commodities	-	-	350	350
	13,572	10,727	19,258	8,531
Code enforcement/animal control:				
Contractual services	14,187	25,938	47,070	21,132
Commodities	119	187	5,750	5,563
	14,306	26,125	52,820	26,695
Park department:				
Personnel	97,903	112,103	110,234	(1,869)
Contractual services	21,570	26,334	14,750	(11,584)
Commodities	8,071	16,483	19,150	2,667
Capital outlay	-	241	4,100	3,859
	127,544	155,161	148,234	(6,927)
Carrie Nation Memorial:				
Appropriation	12,500	12,500	12,500	-
Contractual services	3,377	4,159	1,850	(2,309)
Commodities	44	203	3,150	2,947
Capital outlay	-	-	2,700	2,700
	15,921	16,862	20,200	3,338

CITY OF MEDICINE LODGE, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance
	2017	Actual	Budget	favorable (unfavorable)
Street lights	\$ 43,049	\$ 41,077	\$ 48,000	\$ 6,923
Emergency preparedness	-	5,340	625	(4,715)
Recycling program	1,444	-	-	-
Economic development	-	-	25,000	25,000
Transfers:				
Municipal equipment reserve	75,000	10,000	10,000	-
Capital improvements reserve	208,000	232,250	292,250	60,000
Public Building Commission	110,113	108,763	-	(108,763)
Hospital appropriation	182,931	184,567	179,000	(5,567)
Total expenditures	1,752,762	1,726,407	\$ 2,031,374	\$ 304,967
Receipts over (under) expenditures	(102,472)	(72,803)		
Unencumbered cash, beginning of year	367,500	265,028	\$ 395,270	\$ (130,242)
Unencumbered cash, end of year	\$ 265,028	\$ 192,225	\$ 29,999	\$ 162,226

See Independent Auditor's Report.

CITY OF MEDICINE LODGE, KANSAS

TOURISM FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance
	2017	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
Guest tax	\$ 17,562	\$ 18,042	\$ 17,500	\$ 542
Expenditures:				
Contractual services	468	-	\$ 1,000	\$ 1,000
Donations	20,000	28,000	35,000	7,000
Total expenditures	20,468	28,000	\$ 36,000	\$ 8,000
Receipts over (under) expenditures	(2,906)	(9,958)		
Unencumbered cash, beginning of year	32,618	29,712	\$ 24,318	\$ 5,394
Unencumbered cash, end of year	\$ 29,712	\$ 19,754	\$ 5,818	\$ 13,936

See Independent Auditor's Report.

CITY OF MEDICINE LODGE, KANSAS

LIBRARY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance
	2017	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 98,989	\$ 96,996	\$ 100,662	\$ (3,666)
Delinquent tax	1,299	1,233	2,000	(767)
Motor vehicle tax	17,331	17,659	20,485	(2,826)
Recreational vehicle tax	266	220	270	(50)
16/20M vehicle tax	766	975	813	162
Miscellaneous	360	-	-	-
Neighborhood revitalization rebate	(6,291)	(6,203)	(6,001)	(202)
Total receipts	112,720	110,880	<u>\$ 118,229</u>	<u>\$ (7,349)</u>
Expenditures:				
Transfer to related municipal entity	112,720	110,593	<u>\$ 126,600</u>	<u>\$ 16,007</u>
Receipts over (under) expenditures	-	287		
Unencumbered cash, beginning of year	73	73	<u>\$ 13,371</u>	<u>\$ (13,298)</u>
Unencumbered cash, end of year	<u>\$ 73</u>	<u>\$ 360</u>	<u>\$ 5,000</u>	<u>\$ (4,640)</u>

See Independent Auditor's Report.

CITY OF MEDICINE LODGE, KANSAS

SPECIAL HIGHWAY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance
	2017	Actual	Budget	favorable (unfavorable)
Receipts:				
State of Kansas gas tax	\$ 52,214	\$ 52,105	\$ 53,830	\$ (1,725)
Expenditures:				
Capital outlay	-	-	\$ 76,750	\$ 76,750
Receipts over (under) expenditures	52,214	52,105		
Unencumbered cash, beginning of year	141,160	193,374	\$ 145,230	\$ 48,144
Unencumbered cash, end of year	\$ 193,374	\$ 245,479	\$ 122,310	\$ 123,169

See Independent Auditor's Report.

CITY OF MEDICINE LODGE, KANSAS

SPECIAL PARKS AND RECREATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance
	2017	Actual	Budget	favorable (unfavorable)
Receipts:				
Local alcoholic liquor tax	\$ 2,146	\$ 2,166	\$ 1,200	\$ 966
Expenditures:				
Capital outlay	-	-	\$ 2,000	\$ 2,000
Receipts over (under) expenditures	2,146	2,166		
Unencumbered cash, beginning of year	8,796	10,942	\$ 9,896	\$ 1,046
Unencumbered cash, end of year	\$ 10,942	\$ 13,108	\$ 9,096	\$ 4,012

See Independent Auditor's Report.

CITY OF MEDICINE LODGE, KANSAS

COMMUNITY IMPROVEMENT DISTRICT

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance
	2017	Actual	Budget	favorable (unfavorable)
Receipts:				
Sales and use tax	\$ 237,401	\$ 238,445	\$ 235,000	\$ 3,445
Expenditures:				
Contractual services	5,099	8,332	\$ 35,000	\$ 26,668
Capital outlay	67,683	115,468	200,000	84,532
Debt service:				
Principal	-	80,000	-	(80,000)
Interest	-	73,662	-	(73,662)
Total expenditures	72,782	277,462	\$ 235,000	\$ (42,462)
Receipts over (under) expenditures	164,619	(39,017)		
Unencumbered cash, beginning of year	186,921	351,540	\$ -	\$ 351,540
Unencumbered cash, end of year	\$ 351,540	\$ 312,523	\$ -	\$ 312,523

See Independent Auditor's Report.

CITY OF MEDICINE LODGE, KANSAS

NON-BUDGETED SPECIAL PURPOSE FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2018

	Municipal equipment reserve	Capital improvements reserve	Public Building Commission	Total
Receipts:				
Grants	\$ -	\$ 787,472	\$ -	\$ 787,472
Interest	-	-	1	1
Transfers:				
General	10,000	232,250	108,763	351,013
Water utility	18,000	-	-	18,000
Sewer utility	1,000	-	-	1,000
Total receipts	29,000	1,019,722	108,764	1,157,486
Expenditures:				
Contractual services	-	90,072	36	90,108
Capital outlay	-	767,437	-	767,437
Debt service:				
Principal	-	-	90,000	90,000
Interest	-	-	18,763	18,763
Total expenditures	-	857,509	108,799	966,308
Receipts over (under) expenditures	29,000	162,213	(35)	191,178
Unencumbered cash, beginning of year	802,525	620,219	2,629	1,425,373
Unencumbered cash, end of year	\$ 831,525	\$ 782,432	\$ 2,594	\$ 1,616,551

See Independent Auditor's Report.

CITY OF MEDICINE LODGE, KANSAS

BOND AND INTEREST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance favorable (unfavorable)
	<u>2017</u>	<u>Actual</u>	<u>Budget</u>	
Receipts:				
Taxes and shared revenue:				
Delinquent tax	\$ -	\$ -	<u>\$ -</u>	<u>\$ -</u>
Expenditures:				
Debt service:				
Principal	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	<u>18,034</u>	<u>18,034</u>	<u>\$ 18,304</u>	<u>\$ (270)</u>
Unencumbered cash, end of year	<u>\$ 18,034</u>	<u>\$ 18,034</u>	<u>\$ 18,304</u>	<u>\$ (270)</u>

See Independent Auditor's Report.

CITY OF MEDICINE LODGE, KANSAS

SIDEWALK IMPROVEMENT

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<u>2017</u>	<u>2018</u>
Receipts:		
Bond proceeds	\$ -	\$ -
Expenditures:		
Contractual services	<u>-</u>	<u>-</u>
Receipts over (under) expenditures	-	-
Unencumbered cash, beginning of year	<u>11,151</u>	<u>11,151</u>
Unencumbered cash, end of year	<u><u>\$ 11,151</u></u>	<u><u>\$ 11,151</u></u>

See Independent Auditor's Report.

CITY OF MEDICINE LODGE, KANSAS

WATER UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance
	2017	Actual	Budget	favorable (unfavorable)
Receipts:				
Water sales	\$ 993,596	\$ 1,011,733	\$ 1,005,000	\$ 6,733
New services	5,325	4,560	3,500	1,060
Reconnects	4,702	6,961	5,000	1,961
Bulk sales	901	996	1,300	(304)
Swimming pool fee	55,470	57,532	64,000	(6,468)
Sales tax	5,737	5,432	6,000	(568)
Miscellaneous	14,256	12,934	2,000	10,934
Reimbursed expenditures	19	18,214	3,000	15,214
Total receipts	<u>1,080,006</u>	<u>1,118,362</u>	<u>\$ 1,089,800</u>	<u>\$ 28,562</u>
Expenditures:				
Personnel	162,859	171,145	\$ 337,113	\$ 165,968
Contractual services	167,156	171,174	123,850	(47,324)
Commodities	31,265	34,087	107,750	73,663
Capital outlay	19,918	4,387	234,513	230,126
Miscellaneous	8,029	10,486	22,900	12,414
Debt service:				
Principal	153,670	141,043	-	(141,043)
Interest	30,887	109,683	-	(109,683)
Transfers:				
General	116,000	126,000	122,000	(4,000)
Municipal equipment reserve	18,000	18,000	18,000	-
Waterworks depreciation and maintenance reserve	90,000	90,000	90,000	-
Sewer utility	110,000	110,000	110,000	-
Total expenditures	<u>907,784</u>	<u>986,005</u>	<u>\$ 1,166,126</u>	<u>\$ 180,121</u>
Receipts over (under) expenditures	172,222	132,357		
Unencumbered cash, beginning of year	<u>826,321</u>	<u>998,543</u>	<u>\$ 844,018</u>	<u>\$ 154,525</u>
Unencumbered cash, end of year	<u>\$ 998,543</u>	<u>\$ 1,130,900</u>	<u>\$ 767,692</u>	<u>\$ 363,208</u>

See Independent Auditor's Report.

CITY OF MEDICINE LODGE, KANSAS

SEWER UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance
	2017	Actual	Budget	favorable (unfavorable)
Receipts:				
Charges for services	\$ 349,587	\$ 351,339	\$ 375,000	\$ (23,661)
Miscellaneous	500	1,000	1,500	(500)
Reimbursed expenditures	-	425	-	425
Transfers:				
Water utility	110,000	110,000	110,000	-
Total receipts	<u>460,087</u>	<u>462,764</u>	<u>\$ 486,500</u>	<u>\$ (23,736)</u>
Expenditures:				
Personnel	143,821	151,036	\$ 172,421	\$ 21,385
Contractual services	172,429	126,222	101,501	(24,721)
Commodities	15,719	10,141	65,000	54,859
Capital outlay	999	792	197,050	196,258
Miscellaneous	205	1,259	3,500	2,241
Debt service:				
Principal	76,109	157,877	-	(157,877)
Interest	20,016	34,373	-	(34,373)
Transfers:				
General	18,000	-	-	-
Sewer plant O-M-R	15,000	5,000	5,000	-
Municipal equipment reserve	-	1,000	1,000	-
Total expenditures	<u>462,298</u>	<u>487,700</u>	<u>\$ 545,472</u>	<u>\$ 57,772</u>
Receipts over (under) expenditures	(2,211)	(24,936)		
Unencumbered cash, beginning of year	<u>140,296</u>	<u>138,085</u>	<u>\$ 179,025</u>	<u>\$ (40,940)</u>
Unencumbered cash, end of year	<u>\$ 138,085</u>	<u>\$ 113,149</u>	<u>\$ 120,053</u>	<u>\$ (6,904)</u>

See Independent Auditor's Report.

CITY OF MEDICINE LODGE, KANSAS

SOLID WASTE UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	2017	2018		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Charges for services	\$ 345,291	\$ 350,438	\$ 355,000	\$ (4,562)
Expenditures:				
Contractual services	328,111	335,447	\$ 338,000	\$ 2,553
Transfers:				
General	19,500	15,000	16,000	1,000
Total expenditures	347,611	350,447	\$ 354,000	\$ 3,553
Receipts over (under) expenditures	(2,320)	(9)		
Unencumbered cash, beginning of year	2,391	71	\$ 30,297	\$ (30,226)
Unencumbered cash, end of year	\$ 71	\$ 62	\$ 31,297	\$ (31,235)

See Independent Auditor's Report.

CITY OF MEDICINE LODGE, KANSAS

NON-BUDGETED BUSINESS FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2018

	Waterworks depreciation and maintenance reserve	Sewer plant O-M-R	Total
Receipts:			
Grants	\$ 2,054	\$ -	\$ 2,054
Transfers:			
Water utility	90,000	-	90,000
Sewer utility	-	5,000	5,000
Total receipts	92,054	5,000	97,054
Expenditures:			
Contractual services	18,742	-	18,742
Capital outlay	76,525	-	76,525
Miscellaneous	1,370	-	1,370
Total expenditures	96,637	-	96,637
Receipts over (under) expenditures	(4,583)	5,000	417
Unencumbered cash, beginning of year	825,990	84,476	910,466
Unencumbered cash, end of year	\$ 821,407	\$ 89,476	\$ 910,883

See Independent Auditor's Report.